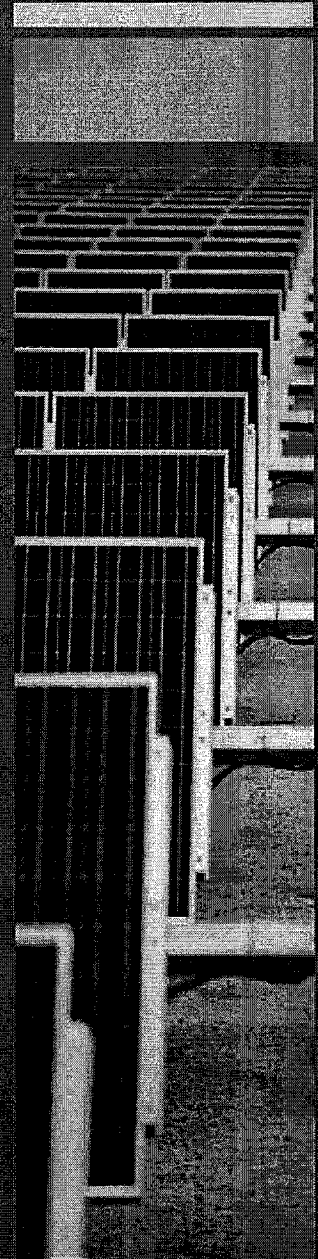# THE EVOLVING IP MARKETPLACE

ALIGNING PATENT NOTICE AND REMEDIES WITH COMPETITION

MARCH 2011

FEDERAL TRADE COMMISSION

making it difficult to predict the various ways in which the claim might be construed.[74] Panelists found "results-based claiming" a "big problem in the IT arts," particularly software.[75] Some panelists warned that functional claiming also impacts biotech patenting,[76] but others explained that it raises fewer concerns in that industry because patentees in biotech must provide considerable information regarding the invention's structure in the specification or the claim.[77]

Faulty incentives. Some panelists argued that the system generally creates "an incentive to be as vague and ambiguous as you can with your claims"[78] and to "defer clarity at all costs."[79] According to one panelist, applicants try to be "as vague as possible, avoid any expression of meaning with the hope that when they get to litigation, they can broaden the meaning beyond what the Patent Office assumed it was."[80] The view was not unanimous, however, and other panelists asserted reasons why patentees would want their patents to be clear.[81] Indeed, one panelist explicitly acknowledged that incentives are in "tension."[82]

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what was actually created").

[73]Menell at 29 (5/5/09).

[74]*See* Meurer at 210 (12/5/08) ("The more functional the claiming is, the harder it is for anyone to understand what the property rights are."). *But cf.* Duffy at 263-64 (12/5/08) (suggesting that the true source of construction problems may be "excessive literalism," including failure to adequately draw upon the specification, rather than functional language in itself).

[75]Kappos at 174 (3/19/09); *see also* Lee at 8-9 (5/5/09) (functional claiming is leading to "a failure of notice" regarding the boundaries of software patents).

[76]Meurer at 209 (12/5/08).

[77]*See, e.g.*, Shema at 59-60 (5/4/09) (citing a need to "claim things structurally" and reference "representative samples"); Kushan at 249 (12/5/08) ("I don't think there's any major impediment about translating and interpreting functional language" in biotech "because essentially you go back to the specification.").

[78]Kappos at 123 (3/19/09); *see also* Petherbridge at 15 (5/5/09).

[79]Wagner at 181 (4/17/09).

[80]Wagner at 200-201 (4/17/09).

[81]*See* Messinger at 117 (3/19/09) (observing that clarity enables the patentee to rely on the resulting patent); Menell at 53 (5/5/09) (arguing that in biomedical fields applicants want a "strong[] claim . . . so that they can justify all of the clinical testing" and other expense).

[82]McNelis at 86 (5/5/09) (noting the "natural tension as a patent practitioner of trying to have a clear, concise patent, but also trying to have the broadest scope").